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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

In the Matter of )

Amendment to the Commission's Regulatory )  
Policies Governing Domestic Fixed Satellites )  
and Separate International Satellite Systems )

IB Docket No. 95-41

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COMMENTS

W.L. Pritchard & Co. ("WLPCO"), by its counsel, hereby submits these comments in support of the Commission's proposal to reconcile its Transborder and Separate Satellite Systems Policy to permit all U.S. fixed satellites to provide domestic services and international services on a co-primary basis.<sup>1/</sup> WLPCO concurs with the Commission that the current bifurcated system of regulating domestic and international satellites under separate policies is dysfunctional in light of the increasingly global nature of communications. Rather than ensuring competition that undeniably leads to high quality, cost-efficient services, the bifurcated regulatory framework for domestic and international satellite services has hampered competition among satellite providers. This system also subjects customers to higher cost satellite service because of regulatory limitations on which satellites may be used for international or domestic service and under what circumstances. Accordingly, WLPCO strongly supports the Commission's proposal

<sup>1/</sup> Notice of Proposed Rulemaking, IB Docket No. 95-41 (released April 25, 1995) ("Notice").

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and commends the Commission for recognizing the need to adapt its satellite regulatory framework to meet the needs of the global consumer.

## **I. STATEMENT OF INTEREST**

WLPCO is a six-year-old satellite engineering firm based in Bethesda, Maryland (successor to Satellite Systems Engineering founded in 1974 by Dr. W.L. Pritchard), that has provided engineering services for both domestic and international satellite operators over the years. WLPCO's founder and principal officer, Dr. W.L. Pritchard, also serves as Managing Director of Friendly Islands Satellite Communications, Ltd. ("TongaSat"), the operating entity for the Kingdom of Tonga's orbital slots.<sup>2/</sup> As an objective participant in the satellite industry that has intimate knowledge of the U.S. regulations governing both the international and domestic satellite industries, WLPCO has a direct interest in the adoption of a unified policy that reflects the practical realities of the global nature of satellite communications service.

## **II. ELIMINATING THE REGULATORY DISTINCTION BETWEEN THE COMMISSION'S TRANSBORDER AND SEPARATE SATELLITE SYSTEM POLICY WILL ADVANCE THE COMMISSION'S PRO-COMPETITION GOALS**

WLPCO believes that the Commission's proposal to eliminate the regulatory distinction between the transborder and separate satellite systems is timely, and will increase competition in the domestic and international satellite markets to the benefit of global consumers. As the Commission recognizes in the Notice, corporations -- the preeminent satellite services

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<sup>2/</sup> TongaSat is currently in the process of registering and coordinating orbital slots with the International Trade Union that would include the west coast of the United States in their footprints.

customer -- are becoming increasingly multinational in character and require global communications services.<sup>3/</sup>

Under the current regulatory framework, U.S. space station operators, who are otherwise able to provide full service, are hampered in their efforts to satisfy requests for both domestic and international service. Under the Transborder Policy,<sup>4/</sup> domestic satellite operators can only "add links to their international locations as an adjunct to their primarily domestic satellite networks."<sup>5/</sup> Conversely, the Separate Systems Policy<sup>6/</sup> only permits separate satellite system licensees to provide domestic service within the U.S. on an "ancillary basis."<sup>7/</sup>

WLPCO concurs with the Commission that recent developments in satellite technology, such as Intelsat's determination that "8,000 circuits per satellite may be interconnected to the PSN without an economic harm consultation,"<sup>8/</sup> and the Executive Branch's prodding to reconcile the differing policies and consumer demand, warrant elimination of the Transborder

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<sup>3/</sup> Notice at ¶ 16.

<sup>4/</sup> *Transborder Satellite Video Services*, 88 F.C.C. 2d 258 (1981). The Transborder Policy permits U.S. domsats to provide international service only where: (1) Intelsat cannot provide the service; or (2) it would be clearly uneconomical or impractical to use Intelsat facilities. Notice at ¶ 5.

<sup>5/</sup> Notice at ¶ 5.

<sup>6/</sup> *Establishment of Satellite Systems Providing International Communications*, 101 F.C.C. 2d 1046 (1985), *recon.*, 61 RR2d 649 (1986), *further recon.*, 1 F.C.C. Rcd 439 (1986). Under the Separate Systems Policy, separate systems may be authorized provided, that: (1) each system is restricted to providing services through the sale or long-term lease of capacity for non-interconnected communications; and (2) each system is approved by the foreign authority with which communications links established and consultations occur to ensure both technical compatibility and that no harm would result to Intelsat. Notice at ¶ 10.

<sup>7/</sup> Notice at ¶ 12.

<sup>8/</sup> *Id.* at ¶ 19.

Policy in its entirety. To maintain a level playing field between transborder and separate satellite systems, the Commission should remove the restriction on separate system providers' offering of domestic satellite services. In other words, separate system providers should be permitted to provide domestic services whether or not they are ancillary to their international offerings.

Consolidating the regulatory framework for domestic and international satellites will provide consumers with greater options and allow service providers to meet their customers' needs for one-stop shopping. It will also allow satellite service providers to design new systems or to alter their existing systems to be responsive to changing markets.

As a corollary to the single regulatory framework for domestic and international satellites, WLPCO supports the Commission's proposal to broaden the scope of its "ALSAT" designation to permit an earth station applicant to "communicate with all current U.S. domestic and international fixed-satellites, as well as all future U.S.-licensed fixed-satellites."<sup>9/</sup> Adoption of this proposal will reduce the need for modifications and, in many instances, eliminate the delay associated with offering a new service that requires a license modification.

### **III. CONCLUSION**

It is certain that the trend towards global communications services will continue into the next century. WLPCO believes that the Commission's proposal for a single regulatory framework for satellite services is reasoned and timely in light of the increasingly global

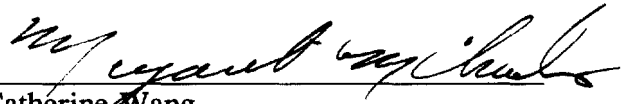
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<sup>9/</sup> *Id.* at ¶ 37. Service would, of course, only be permitted between the U.S. and all countries consulted under Article XIV(d). *Id.* at ¶ 36.

nature of the U.S. economy. Adoption of this proposal will advance the Commission's overall pro-competition policies and the attendant benefits of greater consumer choice, higher quality service and lower prices, among others. WLPCO urges the Commission to adopt the Notice.

Respectfully submitted,

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